

RECORDATION NO. 25906-A FILED

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OCT 14 '05

4-20 PM

SURFACE TRANSPORTATION BOARD

OF COUNSEL
URBAN A. LESTER

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

October 14, 2005

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Assignment of Lease, dated September 29, 2005, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Commercial Security Agreement, which is being filed with the Board under Recordation Number _____.

The names and addresses of the parties to the enclosed document are:

Secured Party: First Mid-Illinois Bank & Trust
12616 State Route 143
Highland, IL 62249

Debtor: Midwest Railcar Corporation
4949 Autumn Oaks
Suite B
Maryville, IL 62062

Mr. Vernon A. Williams
October 14, 2005
Page Two

A description of the railroad equipment covered by the enclosed document is:

77 covered hoppers:

73 bearing NAHX reporting marks within the following series:

NAHX 10887 – NAHX 57459
NAHX 466478 – NAHX 511648
NAHX 800376 – NAHX 890720
and PLCX 13859, TRNX 500622 and 500688, and USLX 20470.

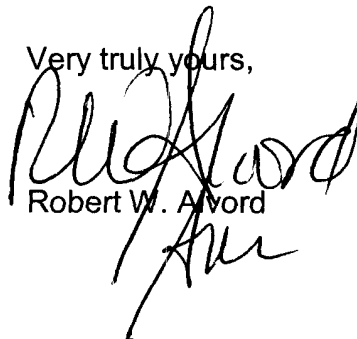
A short summary of the document to appear in the index is:

Memorandum of Assignment of Lease

Also enclosed is a check in the amount of \$33.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/anm
Enclosures

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF ASSIGNMENT OF LEASE

dated September 29, 2005

by and between

**FIRST MID-ILLINOIS BANK & TRUST, NA
("Secured Party")**

and

**MIDWEST RAILCAR CORPORATION,
("Debtor")**

MEMORANDUM OF ASSIGNMENT OF LEASE

THIS MEMORANDUM OF ASSIGNMENT OF LEASE is hereby entered into as of this 29th day of September, 2005 by and between **First Mid-Illinois Bank and Trust, NA** ("Secured Party"), and **Midwest Railcar Corporation, an Illinois corporation** ("Debtor").

WITNESSETH:

The Debtor hereby assigns, transfers and sets over unto Secured Party all of the Debtor's right, title and interest in and to the lease assigned to Debtor by General Electric Railcar Services Corporation of seventy-seven (77) covered hoppers as evidenced as by that certain Rider No. 088 dated August 1, 2005 which incorporates by reference that Car Leasing Agreement No. 0325-33 (inadvertently referred to in the Lease as Car Leasing Agreement No. 0325-83) dated effective March 16, 1998 by and between Debtor, as Lessor (pursuant to an Assignment and Assumption Agreement dated September 29, 2005 by and between General Electric Railcar Services Corporation, as Seller, and Midwest Railcar Corporation, as Buyer, whereby Seller sold all of its rights, title and interest in and to the Railcars to Buyer and assigned all of its rights and obligations under the Lease to Buyer), and Honeywell International, Inc., as successor in interest to AlliedSignal, Inc. (as Lessee) and any other Equipment Riders and or schedules thereto (together, the "Lease") and all rents and other sums due under Rider No. 088 and all proceeds therefrom with respect to those certain railcars identified on the attached Schedule "A" hereto (the "Railcars"), and all rents, renewal rents, proceeds of settlement for the Railcars which are lost, destroyed or damaged beyond repair and all other sums due and to become due under and pursuant to or by reason of the Lease, including but not limited to, the payment of any purchase option price paid by the Lessee pursuant to the Lease, as well as any and all subleases of the Railcars.

This Assignment is given and intended as continuing collateral for the payment of the indebtedness of the Debtor to the Secured Party as provided for in the Commercial Security Agreement dated September 29, 2005 (the "Agreement"), including but not limited to any and all promissory notes executed thereunder (the "Promissory Notes"), including any and all interest thereon and expenses therefore and any and all extensions and/or renewals of the referenced indebtedness, whether such indebtedness shall at any time or from time to time have been reduced or paid in full and thereafter increased or reincurred, and not renewal of, or extension of time of payment of the subject indebtedness or any part thereof, and no agreement not to sue or release or discharge of any persons liable therefore or thereon, or release or exchange of other collateral or any act or thing whatsoever shall diminish, discharge, impair or affect this assignment or the security afforded hereby, save payment in full by the Borrower to the Lender of any and all indebtedness of the Borrower to the Lender arising under the Agreement and the Promissory Notes, while no default exists under any of the other provisions thereof. If such payment in full is made by the Borrower while no such default exists or if any such payment in full is made while any default exists and all such defaults are subsequently corrected by the Borrower, the Borrower shall be entitled to have this Assignment discharged.

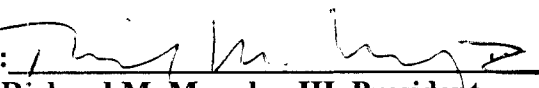
Capitalized terms not defined herein shall have the meanings ascribed to them in the Agreement. This Memorandum of Assignment of Lease may be executed in any number of counterparts, each executed counterpart constituting an original but together only one Memorandum of Assignment of Lease and Rents.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective corporate officers as of the date and year first above written.

FIRST MID-ILLINOIS BANK AND TRUST, NA
as Secured Party

By: 
Gordon D. Smith, Regional President

MIDWEST RAILCAR CORPORATION
As Debtor

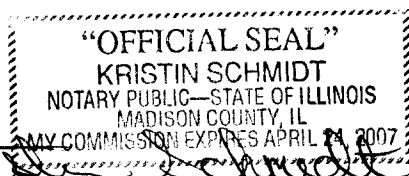
By: 
Richard M. Murphy, III, President

STATE OF ILLINOIS, County of Madison

On this 29th day of September, 2005, before me, a Notary Public of the County and State aforesaid, personally appeared Gordon D. Smith, to me personally known, who being by me duly sworn, says that he is a Regional President of FIRST MID-ILLINOIS BANK AND TRUST, NA, that the seal affixed to the foregoing instrument is the seal of First Mid-Illinois Bank and Trust, NA, that said instrument was signed and sealed on behalf of First Mid-Illinois Bank and Trust, NA by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of First Mid-Illinois Bank and Trust, NA.

AS WITNESS my hand and notarial seal

(Seal)



Kristin Schmidt

Notary Public

My commission expires: 04-24-07

STATE OF MN, City of Elk River

On this 29th day of September, 2005, before me, a Notary Public of the County and State aforesaid, personally appeared Richard M. Murphy, III, to me personally known, who being by me duly sworn, says that he is the President of Midwest Railcar Corporation, an Illinois corporation, that the seal affixed to the foregoing instrument is the seal of said association, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and the acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal

(Seal)

David L. Smith

Notary Public

My commission expires: 1-31-06

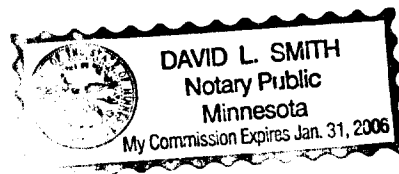


EXHIBIT "A"

DESCRIPTION OF RAILCARS

Seventy-seven (77) covered hoppers bearing reporting marks as follows:

NAHX 10887	NAHX 480568	NAHX 510260
PLCX 13859	NAHX 480962	NAHX 510264
USLX 20470	NAHX 482101	NAHX 510366
NAHX 46167	NAHX 482629	NAHX 510371
NAHX 46740	NAHX 483533	NAHX 510389
NAHX 46950	NAHX 484977	NAHX 510411
NAHX 49155	NAHX 485117	NAHX 510424
NAHX 49260	NAHX 487106	NAHX 510428
NAHX 49346	NAHX 487385	NAHX 510429
NAHX 56163	NAHX 487420	NAHX 510439
NAHX 56175	NAHX 487465	NAHX 510472
NAHX 57459	NAHX 487642	NAHX 510476
NAHX 466478	NAHX 488634	NAHX 510481
NAHX 475163	NAHX 488747	NAHX 510484
NAHX 476359	NAHX 490078	NAHX 510485
NAHX 478911	NAHX 490389	NAHX 510515
NAHX 478914	TRNX 500622	NAHX 510564
NAHX 478928	TRNX 500688	NAHX 511468
NAHX 478942	NAHX 510121	NAHX 800376
NAHX 479216	NAHX 510144	NAHX 800443
NAHX 479307	NAHX 510164	NAHX 890720
NAHX 479369	NAHX 510196	
NAHX 479617	NAHX 510209	
NAHX 479629	NAHX 510218	
NAHX 479799	NAHX 510220	
NAHX 480091	NAHX 510225	
NAHX 480236	NAHX 510229	
NAHX 480415	NAHX 510252	